

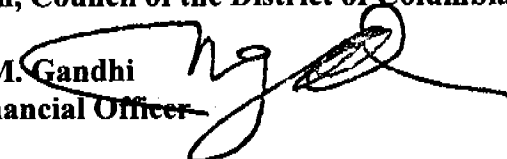
**Government of the District of Columbia  
Office of the Chief Financial Officer**



**Natwar M. Gandhi**  
Chief Financial Officer

**MEMORANDUM**

**TO:** The Honorable Linda W. Cropp  
Chairman, Council of the District of Columbia

**FROM:** Natwar M. Gandhi   
Chief Financial Officer

**DATE:** MAR -3 2006

**SUBJECT:** Fiscal Impact Statement: "Home Purchase Assistance Program Approval Resolution of 2006"

**REFERENCE:** Draft Public Resolution to be Introduced – No Number Available

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**Conclusion**

Funds are sufficient in the FY 2006 through FY 2009 budget and financial plan to implement the regulations attached to the proposed resolution. No additional staff or resources will be required.

**Background**

The proposed resolution approves amendments to local municipal rules. The purpose of the rulemaking is to change the Home Purchase Assistance Program (HPAP) eligibility residency requirements to a preference specifying District residency. The proposed rulemaking establishes a single level of applicant contribution toward settlement expenses.

The proposed rulemaking permits the Director of the Department of Housing and Community Development (DHCD) to waive an applicant's contribution for certain economically vulnerable households and permit DHCD to establish the maximum level of HPAP financial assistance. This would be based on the prevailing residential real estate market conditions.

The proposed rulemaking replaces the three-tiered eligible income levels with a single eligible income category. These rules also establish a single set of loan terms for all HPAP assistance, and extend the Notice of Eligibility period to a maximum of 180 days. The proposed rulemaking establishes a household income eligibility limit equal to 110 percent of the Area Median Income

(AMI).<sup>1</sup> The proposed rulemaking allows a settlement to proceed for homes that do not fully meet code requirements and is subject to completion of code corrections prior to occupancy. In addition, the proposed rules revise the definitions consistent with the amendments to this chapter.

### **Financial Plan Impact**

Funds are sufficient in the FY 2006 through FY 2009 budget and financial plan to implement the proposed resolution. No additional staff or resources will be required. The District's local Budget and Financial Plan will be required to absorb any additional and unforeseen costs that are subsequent to this action. DHCD is projecting that it will expend in FY 2007 approximately \$16 million in HPAP funds from all sources. This amount represents neither an increase nor a decrease in program changes or funding availability.

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1. U.S. federal Housing and Urban Development (HUD) CBSA-Based Median Family Incomes (AMI) for States, Metropolitan, and Nonmetropolitan Portions of States. In the case of the District of Columbia this would result in an amount of approximately \$61,325 in FY 2006. The FY 2005 HUD AMI for the District is currently \$55,750.